

INTELLFAX 1

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CENTRAL INTELLIGENCE AGENCY

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25X1A SOURCE [REDACTED]

The following incident, which developed as the result of a request from the Egyptian Government for the services of an Austrian industrial expert, is reported as an example of the frequent lack of cooperation between Austrian Government ministries:

1. Sometime in late June 1951 an official of the Egyptian Government presented a note to the Austrian Legation in Cairo requesting that a certain Austrian official who had supervised the electrification of the Austrian railways be sent to Egypt for a period of four weeks to survey the requirements of the Egyptian railway system. In this note it was pointed out that, following the visit of this railroad expert, the Egyptian Government would probably place orders with Austrian manufacturers for electrical propulsion, generating and overhead equipment amounting to three or four million dollars. Upon receipt of the note by the Austrian Foreign Office, the request was forwarded to the Ministry of Transportation and Nationalized Industries with a cover letter signed by Foreign Ministry Gruber. In the cover letter the Foreign Minister recommended immediate action to permit the release of this railroad official for the four-week period.
2. After a lapse of two weeks, having received no reply from the Ministry of Transportation and Nationalized Industries, Foreign Minister Gruber addressed a note to Minister Waldbrunner himself, requesting immediate action to the Egyptian proposal. Emphasizing the benefits which the Austrian electrical industry would derive from the acquisition of these contracts, Gruber stated that such firms as Brown-Boveri and Elin A.G. could then afford to offer the same type of equipment to the Austrian Federal Railways at a substantial reduction.
3. Two more weeks passed, and the Ministry of Transportation and Nationalized Industries still had not responded to the Foreign Office note. Thereupon, at Gruber's request, Waldbrunner appeared at the Foreign Office to discuss the matter. During this meeting Waldbrunner stated that the electrification of the Austrian railway system, now in progress, takes precedence over any request from the Egyptian Government; that the railroad expert whose services the Egyptians desire is irreplaceable and therefore cannot be released for even a temporary assignment elsewhere; and that he, Waldbrunner, will permit no interference with his Ministry from any other cabinet member. Since Gruber,

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on the other hand, was equally adamant in his contention that the Egyptians' request should be granted, the interview ended in an impasse. Gruber declared that he would bring up the matter at the next cabinet meeting, whereupon Waldbrunner walked out of the office.

Comment: The long-standing enmity between Waldbrunner and Gruber stems from the time when Waldbrunner was Austrian Ambassador to Moscow. Waldbrunner feels that during that period he was discriminated against by the Foreign Office because of his connections with the Socialist Party. For this reason Waldbrunner has subsequently refused on a number of occasions to cooperate with the Foreign Office.

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